



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

|                         |           |                |   |
|-------------------------|-----------|----------------|---|
| <b>Bill #</b>           | HB0134    | <b>Title:</b>  | Regulate rates of local government energy transmission facilities |
| <b>Primary Sponsor:</b> | Lange, M. | <b>Status:</b> | As Introduced   |

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

|  | <b><u>FY 2008<br/>Difference</u></b> | <b><u>FY 2009<br/>Difference</u></b> | <b><u>FY 2010<br/>Difference</u></b> | <b><u>FY 2011<br/>Difference</u></b> |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Expenditures:</b>                   |                                      |                                      |                                      |                                      |
| State Special Revenue                  | \$64,321                             | \$60,686                             | \$62,203                             | \$65,159                             |
| <b>Revenue:</b>                        |                                      |                                      |                                      |                                      |
| State Special Revenue                  | \$64,321                             | \$60,686                             | \$62,203                             | \$65,159                             |
| <b>Net Impact-General Fund Balance</b> | <u>\$0</u>                           | <u>\$0</u>                           | <u>\$0</u>                           | <u>\$0</u>                           |

### **Description of fiscal Impact:**

The regulation of rates by the Department of Public Service Regulation (PSC) of local government entities that acquire energy transmission, distribution, and generation facilities will result in additional staffing requirements. The increased costs would be offset by an increase in revenues generated by rate payers in second year of biennium and henceforward by virtue of the way rates are calculated.

### **FISCAL ANALYSIS**

#### **Assumptions:**

1. The number of municipalities coming under PSC rate jurisdiction due to acquisition of distribution, transmission, or generation facilities is indeterminable but for the purpose of this fiscal note we assume four local government entities.
2. The assumption is based on PSC awareness of the interest of a few municipalities in acquiring generation facilities (City of Great Falls, Town of Phillipsburg, possibly other members of the League or Cities and Towns).
3. Employ one FTE Financial Analyst at pay band seven entry level, plus costs for equipment, supplies and training.

4. Due to the way the rates are calculated by the Department of Revenue there may be the need for a short term general fund loan until rates are adjusted and costs captured at which time the loan could be repaid. This could take up to 6 months.

|   | <b><u>FY 2008<br/>Difference</u></b> | <b><u>FY 2009<br/>Difference</u></b> | <b><u>FY 2010<br/>Difference</u></b> | <b><u>FY 2011<br/>Difference</u></b> |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b><u>Fiscal Impact:</u></b>  |                                      |                                      |                                      |                                      |
| <b>FTE</b>  | 1.00                                 | 1.00                                 | 1.00                                 | 1.00                                 |
| <b><u>Expenditures:</u></b>   |                                      |                                      |                                      |                                      |
| Personal Services   | \$57,586                             | \$59,026                             | \$60,501                             | \$62,014                             |
| Operating Expenses  | \$3,960                              | \$1,660                              | \$1,702                              | \$1,745                              |
| Equipment   | <u>\$2,775</u>                       | <u>\$0</u>                           | <u>\$0</u>                           | <u>\$1,400</u>                       |
| <b>TOTAL Expenditures</b>   | <u><u>\$64,321</u></u>               | <u><u>\$60,686</u></u>               | <u><u>\$62,203</u></u>               | <u><u>\$65,159</u></u>               |
| <b><u>Funding of Expenditures:</u></b>  |                                      |                                      |                                      |                                      |
| State Special Revenue (02)  | \$64,321                             | \$60,686                             | \$62,203                             | \$65,450                             |
| <b><u>Revenues:</u></b>   |                                      |                                      |                                      |                                      |
| State Special Revenue (02)  | \$64,321                             | \$60,686                             | \$62,203                             | \$65,450                             |
| <b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b> |                                      |                                      |                                      |                                      |
| State Special Revenue (02)  | \$0                                  | \$0                                  | \$0                                  | \$0                                  |

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*Sponsor's Initials*


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*Date*


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*Budget Director's Initials*


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*Date*